

November 2009

# SCHOOL FINANCE UPDATE

*A Monthly Newsletter Published by the School Finance Division*

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This newsletter is emailed to school districts, county superintendents, county treasurers, and auditors each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward it to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

## Important Transportation Program Deadlines

By November 10, the county superintendent must electronically approve each bus route form (TR-1) submitted by a school district. By mid-November, OPI will electronically notify county superintendents and district clerks of the approved rates for individual and isolated contracts. (See 10.7.101, Administrative Rules of Montana).

**OPI Contact:** Maxine Mougeot, (406) 444-3096 or [mmougeot@mt.gov](mailto:mmougeot@mt.gov)

## Changes to FY2008-09 Trustees Financial Summary (TFS)

If you find a material coding error on your FY2008-09 Trustees Financial Summary (TFS), you may submit a revision to Rebecca Phillips in the School Finance Division. Changes to the FY2008-09 TFS are limited to: a) coding revisions between revenue and expenditure line items providing no change occurs in the fund balance of the budgeted funds; and b) revisions in the balance sheet accounts provided no change occurs in the fund balance of the budgeted funds (10.10.504(6), Administrative Rules of Montana). OPI cannot process TFS changes that affect the fund balance in a budgeted fund because fund balance is carried forward to the FY2009-10 budget, and a change in fund balance may impact the number of mills already levied in the fund.

Revisions should be submitted to Rebecca Phillips in the School Finance Division by following these procedures:

1. Photocopy the original page of the TFS with amounts to be revised crossed out and the correct amount written above it.
2. When sending balance sheet account revisions, please also send any expenditure and revenue line item changes that correlate with such changes. The fund balance on the balance sheet should equal the ending fund balance shown on the statement of revenues, expenditures and changes in fund balance report after the revisions are made.
3. Fax the revisions to Rebecca at (406) 444-0509 or mail them to her at P.O. Box 202501, Helena, MT 59620-2501. Please submit the revisions by December 10 so that questions or problems related to processing the changes can be addressed before school districts are closed for the holiday break.

Note that immaterial line item coding changes or changes that affect fund balance in the budgeted funds for FY2008-09 must be reported as prior period adjustments in the TFS for the current year (FY2009-10). The district may need to adopt a budget amendment in the current year to record a prior period expenditure adjustment in a budgeted fund.

**OPI Contact:** Rebecca Phillips, (406) 444-0783 or [rphillips2@mt.gov](mailto:rphillips2@mt.gov)

**FY2008-09  
Career &  
Technical  
Education  
(CTE)  
Expenditures**

One of the factors used by OPI to allocate state CTE funds is CTE expenditures reported on the Trustees Financial Summary (TFS). Expenditures reported in the General Fund (01) with program code 39X and object codes 3XX– 8XX are used in the allocation formula.

FY2008-09 TFS expenditure data affects the FY2010-11 allocation of state CTE funds. School districts that receive state CTE funds are encouraged to review their FY2008-09 TFS report to ensure CTE expenditures are accurate.

**OPI Contact:** Rebecca Phillips, (406) 444-0783 or [rphillips2@mt.gov](mailto:rphillips2@mt.gov)

**Final  
Expenditure  
Reports for  
2008-09 Grant  
Projects**

The following 2008-09 projects ended on September 30, 2009. In the E-Grants system, please create and submit a final expenditure report (fiscal closeout) for each program listed below no later than Tuesday, November 10, 2009.

ESEA/NCLB Programs:

Title I-A Basic  
Title I-A School wide  
Title II A Improving Teacher Quality  
Title II-D Enhancing Education Through Technology (Ed Tech)  
Title III English Language Acquisition  
Title IV-A Safe and Drug-Free Schools and Communities  
Title VI-B Rural and Low Income School (RLIS)  
Title I-C Regular and Summer Migrant Programs  
Title I School Improvement

Note: If funds were REAP flexed into another eligible program, a \$0 final expenditure report must be submitted for the program where the funds originated.

Unexpended cash must be returned to the OPI after completing the final expenditure report in E-Grants. Unobligated funds, including funds which are eligible for carryover to the next year's project, also must be returned to the OPI. **Please refund whole dollars only, not cents.**

OPI will reimburse amounts due to a sub-grantee upon receipt of the final expenditure report, provided the report is submitted on or before November 10, 2009. Reimbursements requested on a late final expenditure report (i.e., reports received by the OPI after November 10) will not be paid.

For instructions on completing a final expenditure report, click on "Create an Expense Rep", then click the blue "Instructions" link on the top right-hand side of the Expenditure Report tab. Basic instructions for completing a final expenditure report are posted at:

<http://www.opi.mt.gov/pdf/egrants/Creating%20Final%20Expenditure%20Report%20in%20E-Grantsv1.pdf>

Please contact the OPI Program Accountant if you need help creating and completing a final expenditure report in E-Grants. Click the "Contact Us" link found at the bottom of every E-Grants web page for a listing of the program accountants and their contact information.

**OPI Contact:** Kellee English, (406) 444-7841 or [kenglish@mt.gov](mailto:kenglish@mt.gov)

### **MASBO New Clerks Academy**

The Montana Association of School Business Officials (MASBO) will hold its New Clerks Academy on December 3 - 4, 2009 at Jorgensons, 1714 Eleventh Avenue, Helena. A registration form is located at this link:

<http://fs3.formsite.com/masbo/NewClerkAcademy/index.html>

**Contact:** Lynda Brannon, MASBO (406) 442-5599 or [lbrannon@masbo.com](mailto:lbrannon@masbo.com)

### **Public Health Emergency Preparedness (PHEP) Grants**

Public Health Emergency Preparedness (PHEP) grants are federal funds provided to develop emergency-ready public schools for and in response to pandemic influenza and other public health emergencies. School districts that receive these grants should deposit the funds in the Miscellaneous Programs Fund (15) using revenue source code 4730 and track the expenditures using expenditure program code 473.

For more information about how to apply for this grant, please see the OPI Official Email posted at this link: [http://www.metnet.mt.gov/Official\\_mail/I02BCF5A4](http://www.metnet.mt.gov/Official_mail/I02BCF5A4)

**OPI Contact:** Rebecca Phillips, (406) 444-0783 or [rphillips2@mt.gov](mailto:rphillips2@mt.gov)

### **Emergency School Closure Guidance**

In the wake of the actual and anticipated impact of H1N1 Flu in Montana schools, the OPI has received questions from around the state regarding emergency school closure. A document located at [http://opi.mt.gov/PDF/Superintendent/Emergency\\_School\\_Closure.pdf](http://opi.mt.gov/PDF/Superintendent/Emergency_School_Closure.pdf) contains answers to most of the questions we have received and points out other factors districts may need to consider in their planning for or implementation of an actual emergency school closure.

If other questions beyond the scope of this document arise, please do not hesitate to contact the OPI for assistance. Please note the specific contact phone numbers listed in the document, if they apply to a question that you may have.

**OPI Contact:** Denise Ulberg, (406) 444-1960 or [dulberg@mt.gov](mailto:dulberg@mt.gov).

### **Payment Reminders**

The K-12 state BASE aid payments for November and December will be made early due to the holidays. The November payment is scheduled for Friday, November 20, 2009. The December payment is scheduled for Friday, December 18, 2009.

Payment types are different for November. In November, school districts receive Guaranteed Tax Base Aid (GTB) in the General Fund, State Block Grants in the General and Transportation Funds and Combined Block Grants in funds designated on FY2009-10 budgets. Counties will receive Retirement Fund GTB and State Block Grant payments. Claims for Tuition for State Placement are also paid in November.

**OPI Contact,** Kathleen Wanner (406) 444-9852 or [kwanner@mt.gov](mailto:kwanner@mt.gov)

## **FY2009-10 State Career and Technical Education Payments**

The FY2009-10 State Career and Technical Education (CTE) payments were sent to the county treasurers on Monday, November 2, 2009. The payment report is posted on the OPI website at this link: <http://www.opi.mt.gov/pdf/Payments/10FinalVoEdStPaymentLE.pdf>

- State allocations are based on a formula that factors:
- Enrollment in career and technical education classes
- Extended contracts for career and technical education instructors
- Career and Technical Student Organization (CTSO) chapters and membership
- District career and technical education expenditures

The enrollment, extended contract and CTSO information comes from the CTE Enrollment Reports that districts submit annually each February. The district expenditures are determined from the Trustee Financial Summary (TFS) reports submitted to the OPI School Finance Division.

Only programs that meet the general guidelines in the Montana Standards and Guidelines for Career and Technical Education are included in the CTE enrollment factor. Enrollment calculations are based on Montana Accreditation Standard 10.55.906, ARM which defines a credit as 225 minutes per week for one year.

State CTE funds are intended to supplement existing district budgets in the area of career and technical education. Examples of approved uses of state CTE funds are:

- CTE teacher salaries for extended contracts
- Stipends to CTE teachers for supervision of CTSOs (BPA, DECA, FCCLA, FFA, HOSA, SkillsUSA, TSA)
- Instructional supplies and/or instructional equipment used in an approved program
- Instructional-related travel expenses for an approved program or CTSO
- Repair, maintenance and leasing of instructional equipment for an approved program

**OPI Contact: Diana Fiedler, (406) 444-9019 or [dfiedler@mt.gov](mailto:dfiedler@mt.gov).**

## **Verification of School Meal Applications are Due November 15, 2009**

The verification of free and reduced-price school meal applications must be completed by November 15, 2009. The Summary of Verification form is due to OPI's School Nutrition Programs office by December 15, 2009.

**OPI Contact: Teresa Motlas, (406) 444-2501 or [tmotlas@mt.gov](mailto:tmotlas@mt.gov).**

## **Official Free and Reduced- Price Rates**

The October Claim for Reimbursement should show the HIGHEST numbers of free, reduced-priced and paid eligible students in the eligibility information section. The free and reduced-price claim information on the October claim determines your school's poverty indicators for the 2009-10 school year.

**OPI Contact: Teresa Motlas, (406) 444-2501 or [tmotlas@mt.gov](mailto:tmotlas@mt.gov).**

**USDA  
(Commodity)  
Foods Orders  
are Due  
November 20,  
2009**

The USDA (Commodity) Food order form and instructions are available on the OPI website at <http://www.opi.mt.gov/schoolfood/foodDistNEW.html> under Commodity Forms.

Orders for FY2010-11 are due November 20, 2009.

**OPI Contact:** Judy Wilson, (406) 444-4415 or [jwilson@mt.gov](mailto:jwilson@mt.gov).

**Change in Title I  
Allocation  
Formula for  
FY2010-11**

FY 2010-11 (next year) Title I allocations for school districts in Montana with fewer than 20,000 persons in total population will be based on the alternative formula approved for Montana last spring by the U.S. Department of Education. For those districts with fewer than 20,000 persons in total population, the allocations will be based on the previous October's free and reduced price meal counts instead of the U.S. Census Bureau poverty data. This is all districts in Montana except the seven largest school systems which consist of two legal entity districts each (Billings, Bozeman, Butte, Helena, Great Falls, Kalispell, and Missoula). Using the alternative formula for all other districts will ensure that an actual, up-to-date poverty indicator is used and will result in a more equitable distribution of Title I funds among Montana's medium to small-sized districts.

The October 2009 free and reduced-price meal counts will be used in the Title I alternative formula that determines next school year's allocations for 2010-11.

Last spring the OPI prepared a comparison of what district allocations would be based on Census poverty data versus free and reduced-price meal data. The comparison was done using the Preliminary Title I Allocations for 2009-10 so will differ slightly from the actual final allocations. The option for an alternative formula was added to the Title I statute several years ago because Census poverty data is known to be flawed and inaccurate in small jurisdictions. The U.S. Census Bureau has determined that with population areas of fewer than 20,000 people, the data cannot be considered as accurate. They acknowledge that the poverty estimates most likely do not reflect actual conditions in these smaller areas. However, for the overall state allocation total, Census poverty data is still the determining factor in how much Montana receives as a state.

To view the comparison of the two allocation methods by district, click on this link: <http://www.opi.mt.gov/PUB/PDF/TitleI/09CompareCensus-FreeLunchMethod.pdf>

**OPI Contact:** BJ Granbery, (406) 444-4420 or [bgranbery@mt.gov](mailto:bgranbery@mt.gov).

**Useful Links**

State Entitlement Payments to Schools: <http://www.opi.mt.gov/PUB/School%20Finance/Payments/>

School Accounting: <http://www.opi.mt.gov/SchoolFinance/Acct.html>

Forms and Publications: <http://www.opi.mt.gov/SchoolFinance/Forms.html>

Pupil Transportation: <http://www.opi.mt.gov/PupilTransport/index.html>

Enrollment and ANB: <http://www.opi.mt.gov/SchoolFinance/Enrollment.html>

Tuition: <http://www.opi.mt.gov/SchoolFinance/Forms.html>

Audit Information: <http://www.opi.mt.gov/SchoolFinance/Audit.html>

School Finance Calendar: <http://www.opi.mt.gov/calendar/calendar.php?calendar=2>

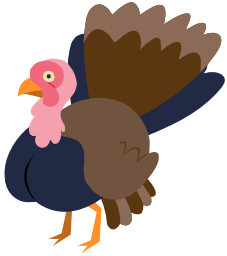
Summary of OPI Activities: <http://opi.mt.gov/OPISummary/>

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**Happy  
Thanksgiving!**



**T- Turkey we eat and being together**  
**H- Happiness and our homes to protect us from the weather**  
**A- Aunts and Uncles together again in the Fall**  
**N- Nieces and Nephews playing, we will always remember**  
**K- Kind-Hearted, we will share all**  
**S- Smell of pies cooking, surely we won't get any thinner!**  
**G- Giving is easy, we do so with pride**  
**I- Indians and Pilgrims, we remember them on this day**  
**V- Vanilla Bean ice cream on top of hot apple pie!**  
**I - Imagine the left overs, tomorrow and the next day.**  
**N- Never forget the memories we share**  
**G- Giving thanks for this special day**